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## A Recap

### 1. Today's Trading Playbook

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#### KEY THEMES

Over the past few days we made two calls, "neutral" on Raya Holding [**RAYA**] and "negative" on Arabia Investments Holding [**AIH**]. On one hand, RAYA just finalized two acquisitions undertaken by two of its subsidiaries, namely **Raya Distribution** and **Raya Electronics**, acquiring 99.95% of **Itsalat International Egypt (i2)** for EGP178mn and 100% of **United Retail Co.** for EGP7mn. We valued RAYA at EGP12.8/share in our Trading Playbook published on [20 January 2020](#), yet RAYA rose some 20% since then (now at EGP15.65/share). On the other hand, AIH's consumer finance arm, **Rawaj**, closed its third securitization issue worth of EGP308mn, with proceeds earmarked to finance Rawaj's expansion plan. In our Trading Playbook published [yesterday](#), we projected that AIH could achieve a bottom line of EGP70-75mn in 2020, which means AIH is trading at rich multiples. AIH ended yesterday down some 3.5% to close at EGP0.64/share.

*Now, on to the top news and analysis for the day.*

### 2. TOP NEWS & ANALYSIS

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#### MACRO NEWS

**Egypt is now ranked 47 on Bloomberg's COVID Resilience ranking after falling 23 spots in January, down from the 24<sup>th</sup> spot in December, on the back of "relatively flat outlooks for 2021 GDP growth from a high base of comparison in 2020."** The ranking is "a measure of the best places to be in the coronavirus era", looking at a country's metrics, such as monthly cases and fatality rates, percentage of the population covered by vaccine supply agreements, the strength of its healthcare system, and GDP growth forecasts. ([Bloomberg](#))

**The state's general budget for FY22 requires reliance on public investments by large measures,** in light of dealing with challenges triggered by the COVID-19 pandemic. (Al-Borsa)

**The Ministry of Transport is preparing a new law to extend the usufruct period of dry ports to 30 years, instead of 15 years.** (Al-Mal)



**The House Planning & Budgeting Committee approved yesterday amendments to the VAT Law**, which would have VAT on shipping costs scrapped for importers of strategic commodities. Also, **the committee approved amendments to another law concerning Tahya Misr Fund** waiving the fund from any fees or taxes. Meanwhile, **the committee approved a draft law to exempt from taxes and fees the income from bonds offered for subscription overseas**. ([Youm7](#), Al-Mal)

**The CBE's governor said work is underway to establish a platform to provide non-financial services to small businesses**, such as accounting, marketing, human resources, and procurement services. ([Al-Borsa](#))

## CORPORATE NEWS

**Arabia Investments Holding's [AIH] consumer finance arm, Rawaj, closed its third securitization issue worth EGP308mn**. Proceeds are earmarked to finance Rawaj's expansion plan to open four geographically distributed branches and introduce new diversified products during 2021. Rawaj expects to grow its revenue by 25% y/y in 2021. (Company disclosure)

**Raya Holding's [RAYA] subsidiaries Raya Distribution and Raya Electronics acquired 99.95% of Itsalat International Egypt (i2) for EGP178mn and 100% of United Retail Co. (URC) for EGP7mn**. ([Company disclosure](#))

**Speed Medical [SPMD] has finalized the purchase of the Misr Labs in Beni Suef after signing the final contracts**. Meanwhile, SPMD retracted its plans to establish a company to manage hospitals and medical facilities for others, as it contradicts the memorandum of understanding signed last month with the Saudi Elaj Medical Group. (Company disclosures: [1](#), [2](#))

**Giza General Contracting & Real Estate Investment Co. [GGCC] was given an official preliminary nod to start executing the second phase of a development project valued at EGP600mn** in New Mansoura City. ([Company disclosure](#))

**Giza Spinning & Weaving Co. implemented its expansion plans during the past year, despite COVID-19, as it pumped investments worth EGP50mn**. Meanwhile, Giza Spinning increased its capital from EGP457mn to EGP550mn, targeting to increase it again over the coming period to EGP700mn. (Al-Mal)

**Banque Misr's lending portfolio reached EGP56.4bn in December 2020** within the CBE's initiative to support the manufacturing & renewable energy & agriculture sectors by 8%. (Al-Mal)



## GLOBAL NEWS

**The world's 20 best-performing hedge funds earned USD63.5bn for clients in 2020**, setting a record for the last 10 years during a chaotic time when technology-oriented stocks led a dramatic rebound from a pandemic induced sell-off. ([Reuters](#))

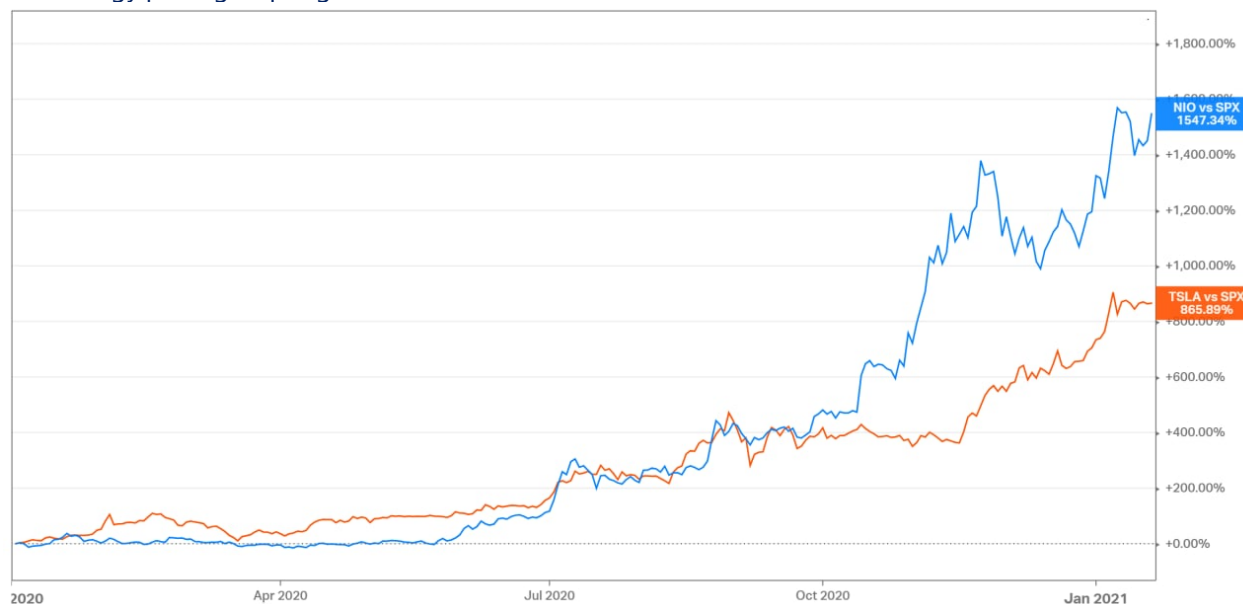
**The United States is in a serious competition with China, and U.S. President Joe Biden wants to approach relations with Beijing with "patience"**. ([Reuters](#))

## 3. CHART OF THE DAY

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Source: Koyfin, Prime Research.

The media has recently been flooded with news that Elon Musk became the wealthiest person in the world after Tesla Inc.'s [**NASDAQ: TSLA**] stock price outperformed S&P 500 by more than 865% since the beginning of 2020 through 22 January 2021. Meanwhile, the stock of China-based Nio Inc.'s [**NYSE: NIO**], another electric vehicle (EV) manufacturer, appeared on the radar screen with its skyrocketing performance, outperforming TSLA and dwarfing S&P 500 by more than 1545% over the same period.



## 4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.								
688.6						1,674.3 1,178.6								
					daily chg.	ytd chg.						daily chg.	ytd chg.	
		EGX 30	11,509.63	(0.14%)	6.13%			Gold	1,855.93	0.02%	(2.22%)			
		EGX 30 TR	4,436.76	0.05%	6.35%				Silver	25.35	(0.57%)	(4.11%)		
		EGX 70 EWI	2,343.87	0.64%	9.26%					Brent Oil	55.88	(0.75%)	7.07%	
		EGX 100 EWI	3,361.72	0.61%	8.52%					WTI	52.77	(0.70%)	8.00%	
		DFMGI	2,723.24	0.27%	9.28%					Natural Gas	2.60	0.50%	2.99%	
		ADSMI	5,617.85	0.08%	11.05%		EGP			USD/EGP	15.75	0.08%	0.04%	
		TASI	8,846.95	0.20%	1.81%			€		EUR/USD	1.21	(0.07%)	(0.70%)	
			QE Index	10,671.57	(0.33%)				2.26%	£		GBP/USD	1.37	(0.23%)
			S&P 500	3,855.36	0.36%	2.64%			¥			USD/JPY	103.75	(0.04%)
			Dow 30	30,960.00	(0.12%)	1.16%						6M TB yield	12.89	6
			NASDAQ	13,635.99	0.69%	5.80%					1Y TB yield	13.00	11	23
		VIX	23.19	5.84%	1.93%			10Y TB yield		14.38	(1)	(1)		
		STOXX 50	3,553.14	(1.37%)	0.01%				2Y TB yield	0.11	(1)	(2)		
		MSCI Emerging	1,410.20	1.25%	9.21%			10Y TB yield	1.03	(6)	10			
			MSCI Frontier	589.33	0.45%		3.10%		30Y TB yield	1.79	(5)	13		



4-Feb-21	AMES	OGM	Approving increasing the issued capital.
6-Feb-21	EDBM	EGM	Discussing cutting the share par value and amending articles 6 & 7 of the bylaws.
8-Feb-21	MFPC	EGM	Amending articles 4, 7, 25, 21, 29, 46, 48 & 55 of the bylaws.
8-Feb-21	EIUD	EGM	Amending articles 3, 4, 6 & 7 of the bylaws.
9-Feb-21	RAYA	EGM	Discussing a stock split and articles 6 & 7 of the bylaws.
9-Feb-21	EGCH	EGM	Approving increasing the issued capital and amending article 6 of the bylaws.
13-Feb-21	EGTS	Lawsuit	A court session discussing legal disputes relevant to the company.
15-Feb-21	SRWA	EGM	Increasing BoD members from 11 to 13.
15-Feb-21	EAST	Cash dividend	Distribution date for EGP0.714/share (2nd installment).
15-Feb-21	HELI	Auction	Open bid for 270 feddans in New Heliopolis
15-Feb-21	AREH	EGM	Discussing a stock split and amending articles 6 & 7 of the bylaws.

## 7. LATEST RESEARCH

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DATE	PUBLISHED REPORT
14-Jan-21	<a href="#"><u>CI Capital Holding [CICH] – New Expansions = Further Growth</u></a>
10-Jan-21	<a href="#"><u>MACROView – Below End-of-Year Target</u></a>
6-Jan-21	<a href="#"><u>MACROView – On the Path to Further Recovery</u></a>
5-Jan-21	<a href="#"><u>MACROView – Rutted Road to Recovery</u></a>
28-Dec-20	<a href="#"><u>Elsewedy Electric [SWDY] – More Growth to Come</u></a>
22-Dec-20	<a href="#"><u>EFG Hermes Holding [HRHO] – Blueprinting Its Eminence</u></a>
16-Dec-20	<a href="#"><u>CIB [COMI] – Earnings beat despite higher provisions</u></a>
10-Dec-20	<a href="#"><u>MACROView – The Highest Reading in Seven Months</u></a>
7-Dec-20	<a href="#"><u>MACROView – Restored Ground</u></a>
6-Dec-20	<a href="#"><u>MACROView – Lost Momentum</u></a>
3-Dec-20	<a href="#"><u>MACROView – Not as Severe as Expected but All Eyes on the Scars</u></a>
25-Nov-20	<a href="#"><u>Misr Chemical Industries [MICH] – Pandemic Proof</u></a>
10-Nov-20	<a href="#"><u>MACROView – An expected rise as the new school year began</u></a>
4-Nov-20	<a href="#"><u>MACROView – The Stars Seem to Be Aligned for International Reserves</u></a>
3-Nov-20	<a href="#"><u>MACROView – The Highest Reading in Six Years</u></a>
25-Oct-20	<a href="#"><u>CIB [COMI] – Short-term pain for longer-term gain</u></a>
11-Oct-20	<a href="#"><u>MACROView – Disinflationary trend interrupted</u></a>
11-Oct-20	<a href="#"><u>MACROView – External strains are slacking and reserves are growing</u></a>
6-Oct-20	<a href="#"><u>CIB [COMI] – A Good Bet for the “Risk On” Mode</u></a>
5-Oct-20	<a href="#"><u>MACROView – Egypt’s recovery is broadening</u></a>



10-Sep-20	<a href="#"><u>MACROView – A Stunning Chapter Towards Targets</u></a>
8-Sep-20	<a href="#"><u>MACROView – Crawling Out of the Troughs</u></a>
3-Sep-20	<a href="#"><u>MACROView – Job losses and the bumpy road to recovery</u></a>
18-Aug-20	<a href="#"><u>Oriental Weavers Carpet [ORWE] – Q2 2020 Results</u></a>
13-Aug-20	<a href="#"><u>Credit Agricole Egypt [CIEB] – Q2 2020 Results</u></a>
10-Aug-20	<a href="#"><u>MACROView – Muted inflation environment still dominates</u></a>
9-Aug-20	<a href="#"><u>MACROView – Recovery of FX revenues is a long-term goal, but the economy is still well armed</u></a>
5-Aug-20	<a href="#"><u>MACROView – Toward gradual recovery</u></a>
29-Jul-20	<a href="#"><u>MACROView – CAD gains eroded by financial account vulnerability</u></a>
14-Jul-20	<a href="#"><u>Commercial International Bank - [COMI] - Q2 2020 results</u></a>
9-Jul-20	<a href="#"><u>MACROView – Inflation driven by non-food baskets and unfavorable base effect</u></a>
8-Jul-20	<a href="#"><u>MACROView – Propped up by FX inflows, CBE amasses more reserves, turns NFA to net asset position</u></a>
7-Jul-20	<a href="#"><u>MACROView – Non-oil private sector keeps perking up in June, but demand stays depressed</u></a>
25-Jun-20	<a href="#"><u>EFG Hermes Holding [HRHO] – Behind the Optics of the Arab Investment Bank Potential Acquisition</u></a>
10-Jun-20	<a href="#"><u>MACROView – Lowest annual reading in five months, but monthly figures show no changes</u></a>
8-Jun-20	<a href="#"><u>Oriental Weavers Carpet [ORWE] – Operating margins improve despite COVID-19, thanks to lower PP and nylon prices</u></a>
8-Jun-20	<a href="#"><u>MACROView – Solid buffers and moderate depreciation: The CBE's recipe to deal with COVID-19</u></a>
3-Jun-20	<a href="#"><u>MACROView – Non-oil private sector took a breather in May, but outlook remains cloudy</u></a>
18-May-20	<a href="#"><u>Abu Dhabi Islamic Bank [ADIB] – Q1 2020 Results</u></a>
18-May-20	<a href="#"><u>Al Baraka Bank Egypt [SAUD] – Q1 2020 Results</u></a>
17-May-20	<a href="#"><u>Credit Agricole Egypt [CIEB] – Q1 2020 Results</u></a>
13-May-20	<a href="#"><u>MACROView – Yesterday's CBE conference call with Deputy Governor</u></a>
11-May-20	<a href="#"><u>MACROView– Acceleration in April driven by food prices – as expected</u></a>
7-May-20	<a href="#"><u>MACROView – Keeping head above water amid pandemic uncertainties</u></a>
5-May-20	<a href="#"><u>Commercial International Bank (CIB) - Egypt [COMI] – Q1 2020 Results</u></a>



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